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ARMY RESERVE FORCES

Process for Identifying Units for Inactivation Could Be Improved





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The Honorable Richard Shelby
Chairman, Subcommittee on Force
Requirements and Personnel
Committee on Armed Services
United States Senate

The Honorable John Glenn
United States Senate

This report responds to your request that we evaluate the process the Army used to identify Army National Guard and Army Reserve units contained on the Department of Defense's (DOD) March 1992 force reduction list.¹ This list contained units that DOD proposed to reduce or inactivate during fiscal years 1992 and 1993 and was submitted to comply with a directive of the conferees on the Fiscal Year 1992 Department of Defense Appropriations Act. Congress approved only about one-third of the reserve force reductions that DOD proposed for the Army for fiscal year 1993.² However, Army officials informed us that the Army will likely continue to propose many of these same units for inactivation or reduction in future years to achieve its 1995 force reduction goals. Because further proposals are forthcoming, we believe that our observations on the process used thus far should help to clarify the basis for the Army's reserve force reduction plans and assist you in evaluating the merits of further proposed force reductions.

Our objectives were to (1) document the process that was used and determine the key entities involved in developing the Army's portion of the list and (2) determine the criteria used to select specific units for inactivation and evaluate whether these criteria were applied consistently. In addition, we are providing our overall observations on the process. In appendix I, we describe in detail the process used to identify the number and types of units for force reduction. In appendix II, we describe the criteria the reserve components used to identify specific units for force reduction and analyze the consistency with which the key criterion—unit readiness—was applied.

¹For purposes of this report, the term "force reductions" refers to units being eliminated (inactivated) and units whose number of personnel are being decreased. Almost 90 percent of the Army's proposed force reductions are inactivations.

²The term "reserve forces" in this report refers to both the Army National Guard and Army Reserve.

This report focuses on the process the Army used to identify units for force reduction; it does not evaluate the merits of the Army's plans for reducing reserve forces. A related December 1992 report contains additional information on the Army's reserve force reduction plans, which may be of interest to you.³ That report discusses the key factors that have led the Army to redefine the future role of its reserve forces, evaluates DOD's positions regarding the need for further reserve force reductions, and highlights opportunities for more effectively using the reserves.

Background

As early as 1989, the Army began developing plans to reduce its active and reserve forces as part of a broader force reduction plan for its total force. Events that unfolded in Eastern Europe and the Soviet Union beginning in late 1989 have led to successive force reduction plans and progressively smaller end-strength targets for the Army's active and reserve forces. DOD's February 1992 plan called for a total Army force of about 1.1 million to be in place by 1995; 567,000 of these personnel would be reserve forces. To achieve these end-strength goals, the Army developed plans to reduce its active forces by about 245,000 personnel and its reserve forces by about 215,000 between 1988 and 1995.⁴

DOD has proposed large reductions in its reserve forces each year since fiscal year 1991. However, Congress has authorized substantially higher reserve force levels than have been proposed because it believes that improvement in the security environment should permit a larger role for reserve forces. To assist it in evaluating the merits of proposed force reductions, congressional conferees directed in November 1991 that DOD provide a list of the reserve component units that DOD proposed to inactivate for all services in fiscal years 1992 and 1993.

As required, DOD submitted its list in March 1992. This list identified DOD reserve units from all the services affected by its force reduction plans. However, about 90 percent of the personnel affected by these force reductions were in the Army National Guard (80,000 personnel authorizations) and Army Reserve (50,000 personnel authorizations). These Army units varied widely in size from 2-person teams to full combat battalions of about 915 soldiers and were located in all of the continental United States, Alaska, the District of Columbia, and Puerto Rico.

³Army Force Structure: Future Reserve Roles Shaped by New Strategy, Base Force Mandates, and Gulf War (GAO/NSIAD-93-80, Dec. 15, 1992).

⁴The President's budget proposes an active force level of 540,000 and a reserve force level of 670,000 by the end of fiscal year 1994.

Results in Brief

Officials at the Office of the Secretary of Defense (OSD), Department of the Army Headquarters, the National Guard Bureau (NGB), and the Office of the Chief, Army Reserve (OCAR), have played prominent roles in developing the Army's reserve force reduction plans. Although the U. S. Forces Command and the U.S. Army Reserve Command (USARC) did not fully participate in developing the March 1992 list, these entities had participated in developing earlier plans. State officials commented on NGB's selections and, in some cases, selected specific units from alternatives proposed by NGB.

National Guard and Army Reserve officials separately determined the specific criteria for their selection decisions. These criteria were generally consistent between the two reserve components, although each attached more importance to some factors than others. For both reserve components, unit readiness was the key determinant of a unit's inclusion on the force reduction list. Our analysis of readiness data showed a high correlation between historical readiness problems and a unit's inclusion on the list. Although one NGB goal has been to achieve geographic equity in its force reductions, this goal has not been achieved. Some states would have been disproportionately affected had all of the proposed reductions on the March 1992 list been accomplished.

The Army's process for identifying units to be included on the March 1992 list of proposed reserve force reductions appeared reasonable, although the coordination process among reserve entities needed improvement and available documentation was inadequate to support force reduction decisions.

Process Used to Develop March 1992 Reserve Force Reduction List Built on Earlier Force Reduction Plans

The March 1992 force reduction list contained largely the types of units that the Army had identified as candidates for inactivation or reduction in earlier downsizing plans dating back to 1989. The Army modified these earlier plans to reflect lower end-strength targets that have evolved over the last 3 years, doctrinal changes, projected needs arising from the Army's force structure requirements determination process, and experiences in Operation Desert Storm. Additional force reductions beyond those proposed in the March 1992 list will be needed to reach the reserve force end-strength target mandated by DOD. The Army's reserve end-strength level stood at 748,000 at the end of fiscal year 1992.

Of the 130,000 positions on the March 1992 list, about 56,000 were associated with reserve force units that supported inactivating combat

units. Other reserve force reductions can be traced to the following factors: reduced mobilization requirements leading to eliminating elements of several reserve training divisions, elimination of several separate brigades, consolidation of three National Guard infantry divisions into one, conversion of two National Guard infantry divisions to a cadre status, and doctrinal changes that eliminated certain types of units.

Reserve Entities Had Prominent Roles in Selecting Specific Units for Inactivation

Officials at OSD, the Department of the Army Headquarters, Forces Command, NGB, OCAR, and state Adjutant Generals each had roles in formulating reserve force reduction plans. OSD officials, in directing implementation of the Base Force, specified the number of divisions and separate brigades the Army needed to inactivate and the reserve components' end-strength targets to be achieved by fiscal year 1995. Army Headquarters staff determined the number and types of nondivisional combat and support units to be eliminated, using past force reduction plans as a starting point and making adjustments as warranted.

NGB and OCAR staff identified the specific units for force reduction and submitted their lists to Army Headquarters for concurrence. Forces Command, which is responsible for executing stationing plans for most Army Reserve units, and its subordinate USARC, did not initially participate in developing the March 1992 list, but they were able to influence the selection of certain medical units before the list was finalized. Further, Forces Command officials had identified units for inactivation in earlier planning exercises. USARC officials believed that, had they been more involved in the process initially, they might not have included certain units on the list. For example, the training divisions slated for inactivation on the March 1992 list were inconsistent with those USARC identified for inactivation in its Command Plan. USARC officials said that the OCAR headquarters staff did not have the details of this plan when they were formulating the list. Army Headquarters officials explained that Forces Command and USARC did not participate more fully in developing the March 1992 list due to the short time frame in which it was developed—from late November 1991 to March 1992. However, they said that these entities would be included in future exercises and that adjustments to the earlier identified units can be made to address their concerns.

State Adjutant Generals—officials appointed by the governors to represent them in National Guard matters—commented on NGB's selections for the March 1992 list before it was submitted to Congress. This review was

intended to identify the potential effects of force reductions on state National Guard operations for consideration in finalizing the list. In a few cases, NGB adjusted its unit selections within a given state on the basis of the Adjutant General's comments. Also, in some cases, these individuals selected the specific unit in their state to be inactivated from among several nominated by NGB.

Unit Readiness Was the Key Criterion Used to Identify Units for Force Reduction

Although Department of the Army staff provided general guidance on criteria to be used when making unit selections, NGB and OCAR separately identified the specific criteria to guide their decisions. Their criteria were similar in that candidates for inactivation were often units that had experienced chronic readiness problems (especially those unable to attract sufficient recruits), were located long distances from their training sites, or were associated with other inactivating units. Some criteria were more important to one reserve component than the other. For example, NGB sought to balance its cuts geographically so that force reductions did not inordinately affect National Guard units state missions. OCAR placed a greater emphasis on retaining the expertise of units that had served in Operation Desert Storm. Also, OCAR considered whether the government owned or leased the facilities that the units occupied.

Records on inactivation decisions were insufficient to provide adequate evidence as to how specific units were selected for inactivation. NGB and OCAR officials were able to provide some oral explanations for selection decisions, although these explanations were limited to the extent that cognizant officials who selected units were still available. In many cases, these officials had rotated to other assignments. However, Army officials said that unit readiness was the key criterion that entered into their decisions. They explained that personnel readiness, which is a major component of unit readiness, figured prominently in their inactivation decisions because a unit's inability to attract sufficient personnel from its locality is the hardest problem to overcome in a reserve environment. This has been a particular problem in recent years in the Northeastern region of the United States. On the basis of these statements, we analyzed historical data on unit readiness to determine the extent to which this criterion appeared to influence inactivation decisions. In conducting this analysis, we compared readiness data for units that were selected for inactivation with data on similar units that were not.

Our analysis of unit readiness data from October 1989 through January 1992 showed that, in the majority of cases in which alternative

units could have been selected, NGB and OCAR officials recommended inactivating units that had lower readiness ratings over similar units that were retained. For cases where readiness information was available and alternative decisions were possible, units making up about 74 percent of the National Guard positions and about 90 percent of the Army Reserve positions that we analyzed were comparatively less ready than similar units not selected for inactivation. Many of the units selected for inactivation had in recent years reported readiness ratings that placed them in a nondeployable status. For example, 35 percent of the National Guard personnel and 70 percent of the Army Reserve personnel were in units that, on average, reported readiness ratings that placed them in a nondeployable category.

National Guard and Army Reserve officials gave the following reasons why the least-ready units were not always selected:

- Some inactivations, such as the elimination of certain separate combat brigades, were mandated by Department of the Army Headquarters.
- Efforts were made to avoid additional force reductions in states already heavily affected by other inactivations.
- Some headquarters units were no longer needed if their subordinate units were being inactivated.
- All things being equal, units that served in Operation Desert Storm were preserved by the Army Reserve.

Geographic Balance for National Guard Reductions Not Yet Achieved

The National Guard is seeking to achieve geographical balance as it reduces its forces to reach proposed lower end-strength levels. Because force reduction plans for fiscal years 1994 and 1995 are not finalized, it is unclear to what extent the National Guard will ultimately achieve this goal. However, we found that the March 1992 plan would have more heavily impacted some states than others. States that had major combat units identified for inactivation would have been particularly affected. For example, Massachusetts would have lost over 50 percent of its National Guard personnel due largely to the planned inactivation of four infantry battalions associated with the 26th Infantry Division. States without major combat units slated for inactivation generally would have fared much better. For example, Pennsylvania and Indiana would have lost only about 1 percent of their National Guard forces.

At the time of our review, NGB was developing a plan to relocate certain units from states that have been relatively unaffected by the force

reductions to states that have been heavily impacted. NGB's goals in developing the plan were to achieve a more equitable distribution of the effects of force reductions and ensure that some minimum capabilities are available to all states. We did not assess the merits of this proposal because it had not yet been finalized. DOD officials advised us in January 1993 that restationing units entails additional costs that will need to be considered before a decision is made on adopting or rejecting this proposal. Information on these costs was not readily available.

Process for Identifying Force Reductions Could Be Improved

Because Congress did not approve all planned force reductions proposed for fiscal year 1993, the Army is making adjustments to its earlier reduction plans. Also, debate continues over the size of the future Army and the appropriate mix of active and reserve forces, which could lead to further modifications. Therefore, an opportunity exists for the Army to improve the process it uses to select units for inactivation or reduction as it refines its plans.

First, better coordination between the reserve components in the selection process might have provided more assurance that readiness of the Army's total force was maximized and that individual states were not disproportionately affected by the combined National Guard and Army Reserve inactivations. In developing the March 1992 list, the reserve components largely identified units for inactivations separately. This approach may not result in decisions leading to the most effective forces being retained. For example, both NGB and OCAR might separately decide to inactivate two similar units from the same geographical area on the basis of an inability to recruit the skilled personnel. However, a coordinated review might reveal that the two units were competing for the same personnel and that inactivating one unit might resolve the recruiting problem of the other.

Although the Army gave responsibility for coordinating National Guard and Army Reserve force structuring decisions (to include inactivations) to Forces Command before the March 1992 list was developed, Army officials advised us that this coordination process did not begin until late summer 1992. Forces Command officials told us in February 1993 that they believed that their increased participation in the process should lead to better coordinated force structure decisions between the two reserve components to the extent that its role can be preserved. DOD officials noted that Forces Command's observations will be considered advisory

since it does not have command authority over National Guard units. Final recommendations will be made at Army Headquarters.

Second, due to the sensitivity of force reductions, it is important that the Army retain documentation supporting the justifications for its decisions on unit inactivations. Without such documentation, the Army cannot adequately demonstrate that its decisions are consistent with its established criteria or that it is achieving its aim of retaining the most capable force possible. We believe that there could be some benefit in considering a more objective approach for determining which factors should enter into inactivation decisions and how these factors should be weighed. USARC is developing a methodology that is more objective than what has been used in the past. This methodology would assign weights to individual factors to rank order similar type units. The merits of this approach would have to be evaluated along with others. We recognize that a quantitative approach would not eliminate the need for some subjective judgment in the final decisions on inactivations.

Recommendations

We recommend that the Secretary of the Army, in refining the Army's reserve force reduction plans,

- ensure that progress made in coordinating force reduction decisions among NGB, OCAR, Forces Command, and USARC officials is continued by formalizing coordination procedures among the entities;
- better document the reasons why specific units are selected for inactivation or reduction; and
- consider the merits of adopting a more objective methodology, such as the one being developed by USARC, for selecting specific units for inactivation.

Agency Comments

DOD generally concurred with our findings and recommendations and stated that its overriding concern is to ensure that reserve component units that have the best long-term prospects for readiness are retained in the force. Moreover, DOD noted that it has attempted to achieve geographical balance in its reductions but that it cannot fully realize this goal until all current and future inactivations are complete. DOD said that it is continuing to refine its selection process and improve documentation for its unit inactivation decisions. It expects to have an improved National Guard unit inactivation process in place by the summer of 1993.

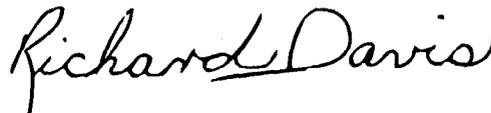
Scope and Methodology

To document the methodology the Army used for developing its portion of the March 1992 reserve force reduction list, we reviewed the Army's force reduction plans and interviewed officials at OSD, Department of the Army Headquarters, NGB, and OCAR in Washington, D.C. We also interviewed officials at the U. S. Forces Command and USARC at Fort McPherson, Georgia.

We discussed with NGB and OCAR officials the selection criteria they used to select specific units for inactivation and employed computer techniques to analyze the extent to which unit and personnel readiness entered into inactivation decisions. To compare the relative readiness of units selected for inactivation with similar units that were not, we analyzed data from unit readiness reports filed from October 1989 through January 1992 in the Army's Unit Status Reporting System. We were unable to analytically assess the extent to which other criteria entered into selection decisions due to inadequate documentation. However, we discussed individual cases with officials involved in the process to learn why units appearing more ready than other similar units were selected for reduction or inactivation.

We conducted this review from May 1992 through February 1993 according to generally accepted government auditing standards.

We are sending copies of this report to the Secretaries of Defense and the Army; the Director, Office of Management and Budget; and interested congressional committees and individuals. Copies will be sent to other interested parties upon request. Please contact me at (202) 512-3504, if you or your staff have any questions concerning this report. Major contributors to this report are listed in appendix III.



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Contents

Letter		1
Appendix I Process for Identifying the Types of Reserve Units for Force Reduction List	Types of Units on Force Reduction List Derived Largely From Earlier Plans Wide Range of Reasons Given for Planned Force Reductions Many DOD and Army Entities Have Interacted to Define the Army's Force Reduction Plans	12 12 14 16
Appendix II Process for Identifying Specific Reserve Units for Force Reduction List	NGB and OCAR Officials Set Criteria for Identifying Specific Units Analysis of Readiness Data Showed That Reserve Entities Generally Selected Less-Ready Units March 1992 Reserve Reduction Plan Would Have Disproportionately Affected Some States	18 18 20 23
Appendix III Comments From the Department of Defense		30
Appendix IV Major Contributors to This Report		37
Tables	Table I.1: Planned Army Force Structure for Fiscal Year 1995 as Reflected in Successive Plans Table I.2: Profile of Army Reserve Units on DOD's March 1992 List of Proposed Reductions for Fiscal Years 1992 and 1993 Table I.3: Profile of Army National Guard Units on DOD's March 1992 List of Proposed Reductions for Fiscal Years 1992 and 1993 Table II.1: Factors NGB and OCAR Considered Most When Selecting Specific Army National Guard and Army Reserve Units for Inactivation	13 14 15 19

Table II.2: Analysis of Relationship of Readiness Data to Army National Guard Units Being Selected for Inactivation	21
Table II.3: Analysis of Relationship of Readiness Data to Army Reserve Units Being Selected for Inactivation	22
Table II.4: Percentage of Authorized Army National Guard Personnel in Each State Associated with Units on the March 1992 Reserve Force Reduction List	23
Table II.5: U.S. Army Reserve Command's Proposed Weighted Criteria for Selecting Specific Units for Inactivation	28

Abbreviations

DOD	Department of Defense
GAO	General Accounting Office
NGB	National Guard Bureau
OCAR	Office of the Chief, Army Reserve
OSD	Office of the Secretary of Defense
USARC	U.S. Army Reserve Command

Process for Identifying the Types of Reserve Units for Force Reduction List

Types of Units on Force Reduction List Derived Largely From Earlier Plans

As early as 1989, the Army began identifying both active and reserve component units for inactivation and other reductions to meet combat force and personnel force reduction goals prescribed by the Department of Defense (DOD). The Army's force reduction plans have undergone several iterations since then to adjust to lower end-strength directives. DOD's February 1992 reduction plan calls for Army National Guard and Army Reserve forces to be reduced from their 1988 level of 782,000 to about 567,000 by fiscal year 1995. It also calls on the Army to eliminate two National Guard divisions and to reduce two others to a cadre status by fiscal year 1995.¹ Over this same period, the Army plans to reduce its active divisions from 18 to 12 and eliminate 1 of its 5 corps.

Army officials said that the proposed force reductions provided to Congress in March 1992 represented only a portion of the reserve force reductions needed to reach its fiscal year 1995 end-strength goals. As of September 30, 1992, the authorized end strengths of the Army National Guard and Army Reserve were 440,000 and 308,000, respectively. Their combined end strength is about 180,000 above that projected for 1995. The extent to which the Army will reach its 1995 end-strength goal will depend on what force reductions Congress approves from year to year and whether the new Administration modifies the size and/or composition of the future force.

Many of the units now proposed for inactivation were identified in earlier force reduction plans, beginning with an Army initiative known as Quicksilver. The Quicksilver plan, which had two iterations in the 1989 to 1990 time frame, was the Army's first major effort to reduce and restructure its forces in response to reduced military threats and budgetary pressures. During this planning effort, the Army identified the total force that would be in place at the end of fiscal year 1994 and the units that it would need to eliminate in each of the fiscal years 1991 through 1994. Subsequent DOD budgetary guidance calling for additional combat force inactivations and lower end-strength levels required the Army to identify unit addition force reductions. Table I.1 summarizes the evolution of the Army's plans for its fiscal year 1995 force structure.

¹Cadre divisions are intended to implement the reconstitution element of the National Military Strategy. They were envisioned to have a skeletal staff in peacetime and be reconstituted with additional soldiers if a major conflict required additional divisions.

**Appendix I
Process for Identifying the Types of Reserve
Units for Force Reduction List**

Table I.1: Planned Army Force Structure for Fiscal Year 1995 as Reflected in Successive Plans

Date of plan	Divisions				End strength	
	Total	Active	Reserve	Cadre	Active	Reserves
Force in 1988	28	18	10	0	781,000	782,000
October 1989	23	15	8	0	627,000	623,000
January 1990	21	^a	^a	0	580,000	645,000
April 1990	22	14	8	0	580,000	645,000
September 1990	22	14	6	2	580,000	515,000
January 1991	20	12	6	2	536,000	550,000
February 1992	20	12	6	2	536,000	567,000

^aPlan contained various options for the mix of active and reserve divisions.

Army officials said that as long as additional reserve force reductions are required, the units that have been identified in these earlier planning exercises will form the basis for further announced reductions. As a result, when unit inactivations cannot be made in the year initially planned, the Army will likely move these units to the top of the list for the following year's force reductions.

Although the types of units selected for inactivation were largely identified initially in earlier plans, Army officials said that, in preparing the March 1992 list, some adjustments were made to reflect the most current information available. For example, Army officials said that the Army adjusted its plans to make the proposed inactivations consistent with the results of its latest force structure analysis that had been completed in December 1991. Accordingly, some types of units were retained, counter to initial plans, because projections showed that they would be needed in the future. Army officials also factored in some of the experiences of the Gulf War. For example, on the basis of acknowledged shortfalls of certain types of support forces (such as heavy truck companies), the Army decided to retain some of the units it had previously planned to inactivate. In addition, the Army Reserve decided to retain some units that it had earlier planned to inactivate on the basis of their successful participation in the Gulf War.

Wide Range of Reasons Given for Planned Force Reductions

Our analysis of the March 1992 reduction list revealed a wide range of reasons for the proposed force reductions. However, the bulk of the planned reductions were related to the consolidation of three National Guard divisions into a single division, the conversion of two National Guard divisions to a cadre status, and the elimination of support units no longer needed to support these reserve divisions and four active divisions that were also being inactivated. Because about 60 percent of the Army's nondivisional support structure is in the reserve forces, the inactivation of the four active and two National Guard divisions has significantly reduced the need for reserve support units. About 36,000 (or 72 percent) of the personnel associated with the Army Reserve units on the March 1992 list and about 20,000 (or 25 percent) of the personnel associated with the National Guard units on the list are support forces being inactivated for that reason. Other units appeared on the list due to reduced mobilization and training requirements, such as the elimination of elements from several reserve training divisions. Others reflect changes in doctrine, such as the elimination of the Tow Light Anti-Armor Teams and 10th maneuver battalion of some divisions. Tables I.2 and I.3 categorize the major reasons units were proposed for reduction and the number of personnel associated with the affected units.

Table I.2: Profile of Army Reserve Units on DOD's March 1992 List of Proposed Reductions for Fiscal Years 1992 and 1993

Reason for reduction	Affected units	Personnel	
		FY 1992	FY 1993
Decreased need for support units due to inactivating divisions and corps	Various	0	36,256
Elimination of units related to inactivating units in Europe and Korea	Various	0	1,251
Reduced need for mobilization-related tasks due to smaller Army	Some reserve training divisions	0	6,199
Cancellation of planned activations	Various	0	1,402
Reduction in individual mobilization augmentees and full-time personnel	Various	0	4,704
Total		0	49,812

Appendix I
Process for Identifying the Types of Reserve
Units for Force Reduction List

Table I.3: Profile of Army National Guard Units on DOD's March 1992 List of Proposed Reductions for Fiscal Years 1992 and 1993

Reason for reduction	Affected units	Personnel	
		FY1992	FY1993
Consolidation of three National Guard divisions into one	50th Armored Division	3,197	1,926
	26th Infantry Division	2,765	7,604
	42nd Infantry Division	1,657	5,299
Reduction related to separate brigade inactivations	One brigade of the 35th and 38th Infantry Divisions	976	3,367
Doctrinal change	TLATS ^a and 10th maneuver battalions	2,364	2,093
Cancellation of planned activations	Various types	667	678
Decreased need for support units due to inactivating divisions and corps or reduced threat	Artillery, engineer, truck, and other units	4,367	15,879
Reduced level of staffing (to include cadre)	107th Armored Cavalry Regiment	701	3,677
	34th Infantry Division	2,019	0
	163rd Separate Armored Brigade	548	0
	40th Infantry Division	2,924	2,805
Mandated reduction in separate brigade	32nd Infantry Brigade	0	4,215
	45th Separate Infantry Brigade	0	3,451
Related to Corps reduction	Elements of 5th Aviation Brigade	38	589
Reduced global threat	One battalion of 33rd, 73rd, and 92nd Brigades	2,392	0
Total		25,320	55,069

^aTow Light Anti-Armor Team.

The National Defense Authorization Act for Fiscal Year 1993 limited the reserve force reductions that the Army could take in fiscal year 1993 to about one-third of what had been proposed. The act also specified that the Army could not inactivate medical units in fiscal year 1993. Due to these restrictions, the Army will not be able to proceed with all of the proposed reductions contained in its March 1992 plan. As of March 1993, the Army had not yet announced what portion of this earlier plan it still planned to execute.

Many DOD and Army Entities Have Interacted to Define the Army's Force Reduction Plans

The Office of the Secretary of Defense (OSD), Department of the Army Headquarters staff, Forces Command, U.S. Army Reserve Command (USARC), National Guard Bureau (NGB), Office of the Chief, Army Reserve (OCAR), and state Adjutant Generals played a role in formulating the Army's reserve force reduction plans.

OSD provided guidance to the individual services on the major combat forces that should remain in the force to carry out the National Military Strategy. In this capacity, OSD directed that the Army retain 12 active, 6 reserve, and 2 reserve cadre divisions in its fiscal year 1995 force. It also specified active and reserve end-strength levels.

Department of the Army Headquarters staff and NGB identified the specific divisions and brigades to be reduced and determined how best to meet the mandated end-strength goals.² Army Headquarters staff also determined the number and types of nondivisional combat and support units it needed to reduce to meet the end-strength goals. In identifying the forces that were no longer required, Army Headquarters staff adopted a methodology similar to, but not as rigorous as, its normal force structuring process. The normal process termed Total Army Analysis is a 2-year, multiphased process through which conflict scenarios, computational factors, and war-gaming assumptions are developed and used to determine the number and type of nondivisional support forces needed to support a given combat force. While similar techniques were employed in determining the types of units that could be eliminated during the downsizing of the Army's force structure, it was accomplished in a much more compressed and less elaborate manner. Using the computer model employed in the Total Army Analysis, the Army determined the number and types of support forces associated with the divisions being eliminated or reduced.

We were unable to evaluate the results of the Army's analysis because the Army did not formally document the process. We were told that neither the computer-generated results nor the records of the subjective assessments that led to certain modifications of the computer results were available. Army Headquarters officials said that the speed with which the exercise was conducted did not allow time to archive data. The conferees' directive calling for the March 1992 list was not made known until November 1991. Army Headquarters officials said, however, that a rough estimate of how much reserve force structure is associated with the inactivation of an individual division can be made. They explained that since about 25,000 personnel spaces are needed to support a 15,000-soldier

²The vast majority of the Army's reserve combat units are in the National Guard.

division, about 250,000 support spaces would be associated with the 8 divisions that are being inactivated and the 2 divisions being converted to cadre status by the end of fiscal year 1995.³ Since the reserve forces provide about 60 percent of the Army's support forces, about 150,000 of these positions would be in the reserves. Because nondivisional support units are generally employed at the corps and theater levels rather than linked to specific divisions, it is not possible to link support units to a specific division that is being inactivated.

³In addition to the six active and two National Guard divisions being inactivated, the Army does not plan to retain the support forces for the two reserve divisions being converted to a cadre status.

Process for Identifying Specific Reserve Units for Force Reduction List

NGB and OCAR Officials Set Criteria for Identifying Specific Units

While Department of the Army staff provided NGB and OCAR general guidance on the factors to be considered in their force reduction decisions, NGB and OCAR separately identified the specific criteria to guide their decisions. For the most part, their criteria were similar. Both singled out chronic readiness problems as the factor considered most heavily in their decisions regarding inactivations. Other factors that NGB and OCAR considered were the units' distances from their training sites and the impacts inactivations would have on command and control relationships. In a few cases, historical lineage became important. For example, a decision was made not to inactivate the unit in which George Washington served.

Reserve officials indicated that some criteria were more important to one reserve component than the other. NGB considered geographic balance more heavily than OCAR because National Guard units also have state missions. If it was determined that a unit inactivation would adversely affect the ability of a state Guard to accomplish its state missions, an effort was made to keep the unit. For example, a maintenance unit responsible for repairing other National Guard units' vehicles might have been preserved. On the other hand, OCAR gave more weight to a unit's experience in the Gulf war than NGB and tried to preserve units that had such experience. Also, OCAR considered whether the government owned or leased the facilities that the units occupied.

Army Reserve and National Guard officials emphasized that the most prudent way to downsize the force is to keep the most capable units. They said that they considered historical unit readiness—particularly personnel readiness—more heavily than any other single criterion. Personnel readiness figured prominently in their inactivation decisions because problems in this area are hard to overcome. One official explained that the difficulty stems from the fact that typically units can only draw people from a radius of about 50 miles and sometimes there are insufficient recruits to fill positions. To illustrate the importance of this factor, OCAR officials said that the elements of several reserve training divisions chosen for inactivation were selected on the basis of this criterion. They explained that some of these divisions had not been able to attract sufficient numbers of qualified drill sergeants—probably the most important factor in determining unit readiness for training divisions.

**Appendix II
Process for Identifying Specific Reserve
Units for Force Reduction List**

National Guard officials in the northeastern region of the United States have had particular difficulty recruiting sufficient personnel to staff their combat brigades. NGB restationed one of the brigades of the New Jersey-based 50th Armored Division in Texas to take advantage of more favorable recruiting demographics. NGB officials said that it had planned to relocate other brigades from the northeastern region due to historical readiness problems. However, in view of the need to downsize, the Army instead decided to inactivate units in this region as part of its plan to consolidate three National Guard combat divisions into one. Table II.1 shows the criteria each component used in making their selections.

Table II.1: Factors NGB and OCAR Considered Most When Selecting Specific Army National Guard and Army Reserve Units for Inactivation

Criterion	National Guard	Army Reserve
Historical readiness, especially personnel readiness	X	X
Access and proximity to training areas	X	X
Projected ability of area to support recruitment	X	X
Geographical balance	X	
Owned versus leased facilities		X
Historical significance	X	
State missions	X	
Participation in Desert Storm		X

Officials in both reserve components were largely unable to document the factors that entered into their decisions to reduce or inactivate specific units. Reserve officials responsible for making decisions on military police units said that neither they nor their predecessors had kept documents on their decisions. Although they could discuss in general terms why certain selections were made, they did not know the reasons for other selections. These officials said that documenting their decisions might not have accurately revealed the basis for the decisions since higher-ranking reserve or Army Headquarters officials had the authority to revise their selections on the basis of other information. One National Guard official, in response to our request for further information on decisions on National Guard units, advised us that the officers involved in these inactivation decisions had rotated from these assignments and therefore, could not provide further information.

Analysis of Readiness Data Showed That Reserve Entities Generally Selected Less-Ready Units

Because documentation on inactivation decisions was lacking, we attempted to determine the consistency with which a key criterion was applied by comparing personnel readiness data for units selected for inactivation with data on comparable units that were not. We focused on this criterion because it was cited as the key factor considered in their decisions. In conducting this analysis, we evaluated the unit and personnel readiness contained in the Army's Unit Status Reporting System between October 1989 and January 1992.¹

We found that, in the majority of cases in which reserve officials had latitude to determine unit selections, the units they selected had lower readiness ratings than those retained. Many of the units selected for inactivation had historically reported a low readiness status. For example, 35 percent of the National Guard personnel and 70 percent of the Army Reserve personnel were in units that reported personnel readiness ratings that, on average, placed them in a nondeployable category. In those cases in which low readiness ratings did not appear to be the primary reason for inactivation decisions, we asked reserve officials to provide information on why the more ready unit was selected. These officials were able to provide explanations for many of the selections, but in some instances, were either unable to recall or unsure of the reasons for the selections.

National Guard Readiness Analysis

We analyzed the readiness of 73 types of National Guard units contained on the March 1992 list. These units represented about 41,000 or about half of the National Guard personnel spaces on the list. We did not analyze the others because either (1) all units of a given type were scheduled to be eliminated; (2) the units were subordinate to other units being inactivated, such as the battalions of a separate brigade; or (3) readiness information was not available.²

About 74 percent of the National Guard positions on the March 1992 reduction list that we analyzed were associated with units that were relatively less ready than similar units not selected for inactivation. In 41 of the 73 cases in which a decision had to be made between several like units, NGB selected units that were less ready than the units retained. We found that the personnel associated with the remaining 32 cases totaled

¹This system requires reserve units to report their status of equipment, personnel, and training. These ratings, commonly referred to in DOD as C-ratings, are an important but not sole indicator of unit readiness.

²Readiness information was not available for a variety of reasons. For example, some spaces were associated with units that the Army had planned to activate but whose activations were being canceled.

11,000 of the 41,000 spaces included in our analysis. Table II.2 summarizes the results of our analysis.

Table II.2: Analysis of Relationship of Readiness Data to Army National Guard Units Being Selected for Inactivation

Typical size of unit	Range of authorized personnel in each unit type	Number of units of each type considered for inactivation	Number of cases in which readiness was not the key factor for selection
Team or detachment	2 to 50	12	9
Detachment or company headquarters	51 to 100	12	5
Company	101 to 300	27	9
Battalion	over 300	22	9
Total		73	32

NGB officials gave several reasons for deciding to retain comparatively less-ready units. For example:

- Adjutant Generals, in some cases, were allowed to make the selection among like units within their states, and these officials sometimes considered other factors. For example, several Adjutant Generals substituted another military police unit for NGB's selection on the basis of other considerations.
- In some cases, a more capable unit was inactivated because it was located in a state that had not been heavily impacted by other inactivations. For example, NGB selected a transportation unit in Maryland and a field artillery battalion in Georgia because these states had not been heavily impacted by other inactivations.
- Command and control relationships sometimes overruled decisions based on readiness. For example, NGB selected a North Carolina petroleum headquarters' detachment because, unlike other candidates for inactivation, this state had no petroleum units requiring a command and control headquarters unit.

Army Reserve Readiness Analysis

We analyzed the readiness of 59 types of Army Reserve units contained on the March 1992 list. These units represented about 24,000, or about half of the personnel spaces on the list. We did not analyze the remainder for the same reasons we omitted some National Guard units; that is, all units of a given type were to be inactivated, the inactivation was mandated by the Department of the Army, or readiness data were not available. In 43 cases, low readiness appeared to be a major consideration in their being selected

for inactivation. These units had personnel authorizations of about 21,500, or about 90 percent, of the authorized personnel that we analyzed.

However, for the remaining 16 types of units representing 2,500 personnel authorizations, at least 1 unit was selected for inactivation even though its readiness was significantly better than units that were retained. Most of the units for which low readiness did not appear to be the main reason for their selection had fewer than 100 authorized personnel. Many of these small units, such as teams and detachments, generally have fewer than 50 personnel. Although similar, some of these units, including medical detachments, are often not identical to other such units and may perform different, specialized functions. Other small command and control units, such as engineering group headquarters, were selected because their mission became unnecessary due to the inactivation of subordinate units. Table II.3 summarizes the results of our analysis.

Table II.3: Analysis of Relationship of Readiness Data to Army Reserve Units Being Selected for Inactivation

Typical size of unit	Range of authorized personnel in each unit type	Number of unit types considered for inactivation	Number of cases in which readiness was not the key factor for selection
Team or detachment	2 to 50	16	7
Company or detachment headquarters	51 to 100	12	6
Company	101 to 300	22	2
Battalion	over 300	9	1
Total		59	16

Army Reserve officials gave various explanations for why more-ready units were selected in some cases. For example, a general support supply company was selected because similar less-ready units had deployed to Operation Desert Shield and Storm and were not considered in the selection process. Engineer battalions that appeared more ready than similar units were placed on the list, despite their satisfactory readiness status, because Army Reserve officials considered other factors such as demographics that offered more favorable recruiting prospects, units' access to training areas, and units' extent of modernization.

**March 1992 Reserve
Reduction Plan Would
Have
Disproportionately
Affected Some States**

National Guard officials said that, wherever possible, they attempted to retain support units in states heavily impacted by the inactivation of combat units. However, as shown by table II.4, despite efforts to geographically balance the impacts of the planned force reductions, the reductions planned for fiscal years 1992 and 1993 would have disproportionately affected some states. This was because the planned National Guard inactivations included those related to consolidating three National Guard combat divisions into a single division, which concentrated the inactivations in a few states. Three of the 10 most heavily impacted states—Massachusetts, Connecticut, and New York—contain units that are part of this consolidation initiative. States in the Northeast will continue to be impacted by further inactivations as the consolidation continues.

Other states were heavily affected due to the inactivation of several separate brigades whose battalions were largely stationed in one or two states. Wisconsin and Oklahoma—the second and fourth most heavily impacted states—were affected by the mandated inactivations of the 32nd Separate Infantry Brigade and the 45th Separate Infantry Brigade.

Table II.4: Percentage of Authorized Army National Guard Personnel in Each State Associated With Units on the March 1992 Reserve Force Reduction List

State or U.S. territory	Percentage of state's authorized personnel on list	Number of personnel associated with units on list	Major unit affected by force reductions
Massachusetts	57	6,886	26th Infantry Division
Wisconsin	51	5,088	32nd Infantry Brigade
Connecticut	44	2,673	26th Infantry Division
Oklahoma	43	3,928	45th Infantry Brigade
New Hampshire	39	1,023	Artillery battalions
Michigan	38	4,562	38th Infantry Brigade
Kansas	35	2,840	38th Infantry Division - one brigade
Ohio	34	5,338	107th Armored Cavalry Regiment
New York	32	7,180	Units of the 42nd Infantry Division

(continued)

**Appendix II
Process for Identifying Specific Reserve
Units for Force Reduction List**

State or U.S. territory	Percentage of state's authorized personnel on list	Number of personnel associated with units on list	Major unit affected by force reductions
California	29	6,519	Conversion of 40th Infantry Division to cadre status
Nebraska	26	1,385	Brigade of 35th Infantry Division
West Virginia	25	1,051	Elements of 107th Armored Cavalry Regiment
Maine	22	758	Engineer battalion
Vermont	21	745	Battalion of 26th Infantry Division
Minnesota	20	2,239	Elements of 34th Infantry Division
North Dakota	19	794	Engineer battalion
Missouri	19	1,941	Engineer battalion
Illinois	14	1,684	Elements of 34th Infantry Division
North Carolina	13	1,562	10th Battalion of 4th Infantry Division
Washington	12	859	10th battalion of 9th Infantry Division
Montana	12	466	Elements of 163rd Armored Brigade
New Jersey	12	1,657	HQ 50th Armored Division
Georgia	11	1,224	TOW anti-armor battalion
Texas	11	2,411	Brigade of 50th Armored Division
Wyoming	11	225	163rd Separate Armored Brigade
Louisiana	10	1,050	Battalion of 50th Armored Division
Puerto Rico	10	962	Battalion of 92nd Brigade
Oregon	10	809	TOW anti-armor battalion
Rhode Island	10	325	Attack helicopter battalion
Arizona	9	469	Artillery battalion
Florida	9	1,126	Artillery battalion
Alabama	9	1,983	Support units

(continued)

**Appendix II
Process for Identifying Specific Reserve
Units for Force Reduction List**

State or U.S. territory	Percentage of state's authorized personnel on list	Number of personnel associated with units on list	Major unit affected by force reductions
Alaska	8	328	207th scout battalion
Kentucky	8	684	Support units
South Carolina	8	1,022	Field artillery battalion
Virginia	8	778	Field artillery battalion
Iowa	8	626	Elements of 34th Infantry Division
Arkansas	8	735	Hospital
Delaware	7	172	Aviation company of the 50th Armored Division
Nevada	6	122	Elements of 40th Infantry Division
Idaho	5	99	Engineer company
Maryland	5	425	Support units
Mississippi	5	680	Support units
Utah	5	308	Special forces battalion
South Dakota	4	154	Support units
Colorado	4	150	Support units
Tennessee	4	547	Support units
New Mexico	3	117	Support units
Pennsylvania	1	238	Maintenance company
Indiana	1	128	Public affairs unit
District of Columbia	Less than 1	16	Public affairs detachment
Guam	0	0	
Virgin Islands	0	0	
Hawaii	0	0	

Note: There are three maneuver brigades in an Army division and generally three battalions in an Army brigade. An armored cavalry regiment is roughly equivalent to a separate brigade.

NGB has prioritized the units it originally planned to inactivate in fiscal year 1993 in its future reduction plans. Since NGB places a high priority on major

inactivations that heavily impact certain geographical areas, some states will continue to be disproportionately affected. For example,

- Massachusetts, Connecticut, New York, Vermont, New Jersey, and Texas will continue to be affected by the consolidation of the National Guard divisions in the Northeast;
- California will be affected as the 40th Infantry Division is placed in cadre status;
- Washington state and North Carolina will be affected by inactivation of the tenth maneuver battalions of two active component divisions; and
- Ohio will be affected by the inactivation of the 107th Armored Cavalry Regiment.

Some states that have not been heavily affected by reductions so far could be impacted more heavily in future years on the basis of identified inactivations in earlier plans. For example, Montana may lose over 60 percent of its personnel authorizations if the inactivations proceed as planned. Also, the five states affected the least could lose an additional 10 percent of their personnel in the future if tentative plans are approved.

State Officials Have Expressed Concerns About the Effects of Inactivations on State Missions

The concentration of inactivations in individual states has been a matter of concern to state officials, who are fearful that inactivations could adversely affect the ability of their National Guard forces to perform state missions such as disaster relief. We were unable to conduct the detailed examination that would be required to determine to what extent state missions have been affected by inactivations. However, we found that State Adjutant Generals were afforded an opportunity to comment on the proposed inactivation plans and express any concerns they might have to the NGB. As noted, some Adjutant Generals played a direct role in selecting the specific units to be inactivated within their respective states. Further, the Army's force structuring process only determines requirements to meet the federal mission and does not generate requirements to meet the aggregate state missions. Army officials said that, as the reserve drawdown continues, the total federal inventory of various units may become insufficient to provide all states with the unit capabilities that they desire.

Army Has Not Approved NGB's Proposal to Redistribute Units

NGB, aware of the disproportionate impact of planned reductions on some states, is developing a proposal to redistribute units scheduled to be retained among the states as reductions proceed. The goal of this proposal

is to more equitably distribute the impacts of force reductions among the states and ensure that each state has at least some minimal medical, aviation, engineer, transportation, and maintenance capability to achieve its state missions. For example, NGB officials said that they would like to move some support units into Montana to offset some of the losses from the planned inactivation of the 163rd Armored Brigade. However, NGB officials acknowledged that even if its proposal is approved, there may not be enough combat support and combat service support units to equitably distribute them among the affected states.

NGB believes that redistribution actions could improve readiness across the force as well as balance the effects of reductions on the states. For example, NGB officials told us that it had identified a brigade of the 28th Infantry Division located in Pennsylvania, which had historically had low readiness ratings, and had planned to use the assets of Ohio's inactivating 73rd Separate Infantry Brigade to form a new third brigade of the 28th Infantry Division in Ohio. According to NGB officials, this proposal would improve the division's readiness and help mitigate the effects of reductions in Ohio. NGB officials said that they would like to accomplish this redistribution concurrent with the Army's overall downsizing by activating units of some types in heavily impacted states as units of other types are inactivated. Implementing these actions concurrently was seen as important because the time line for moving units is based on building the recruiting base in a new location.

We did not assess the merits of NGB's redistribution proposal because it had not been finalized. DOD officials said that this proposal must be carefully evaluated to consider costs that could be associated with such relocations.

USARC Is Developing an Objective Methodology to Better Document Future Decisions

To better document unit inactivation decisions and improve objectivity of the selection process, USARC officials are developing an objective methodology, which they plan to use to identify Army Reserve units for reduction in the future. USARC officials said that this effort has been driven by their recognition that the lack of documentation on inactivation decisions makes it difficult for them to justify why specific units were selected for inactivation. Moreover, they were unable to demonstrate that the criteria used in the selections was consistently applied.

According to this new methodology, USARC officials will evaluate each unit in each category and assign a point value based on the extent to which the

**Appendix II
Process for Identifying Specific Reserve
Units for Force Reduction List**

unit meets the criteria. To account for the relative importance of the various factors, the criteria are weighted as shown by table II.5.

Table II.5: U.S. Army Reserve Command's Proposed Weighted Criteria for Selecting Specific Units for Inactivation

Factor^a	Criterion	Maximum points
Readiness	Unit has consistently shown high state of readiness.	25
Location	Unit is close to headquarters unit and support facility.	25
Personnel	Occupational skill requirements have been met, attrition rate is low, and other personnel factors are favorable.	30
Facilities	Facilities are in good condition and are owned rather than leased.	30
Mission	Unit has been assigned more wartime or peacetime missions than others.	50
Equipment	Required equipment is on hand and operational.	20
Training	Unit performed well in various training exercises.	20
Desert Storm experience	Unit was mobilized for Operations Desert Shield/Storm.	10
Costs	Unit has comparatively low operational costs.	5
Total		215

^aSome factors have subcategories. For example, although the maximum points for equipment is 20, two areas are evaluated— equipment on hand and equipment readiness. Each area can receive a maximum of 10 points.

For each factor, each unit will receive a score based on information obtained from available data bases. For example, each unit will be assigned a point value up to 20 points in the equipment category. If a unit has on hand at least 90 percent of its authorized equipment and this equipment is operationally ready, the unit would receive the maximum 20 points in the equipment category. If it had only maintained 80 to 89 percent, it would receive fewer points. Scores on each dimension would be totaled to produce a unit score. Units with the lowest overall scores would be candidates for inactivation.

Units of similar types would be evaluated against each another. For example, the score received by a medium truck company would not be compared to a score received by a field artillery battalion. Once this objective scoring and ranking of similar units is completed and candidates

**Appendix II
Process for Identifying Specific Reserve
Units for Force Reduction List**

for inactivation are identified, USARC officials plan to conduct a more subjective analysis to reflect other pertinent factors before a final decision is made.

In commenting on USARC's plan, DOD officials explained that while there could be some advantages to a more objective methodology, a more quantitative approach would not obviate the need to consider more subjective factors in their inactivation decisions. We recognize that USARC's proposed methodology is only one approach and that alternatives to improving objectivity and documentation on inactivation decisions might exist.

Comments From the Department of Defense



RESERVE AFFAIRS

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, DC 20301-1500

MAR 25 1993

Mr. Frank C. Conahan
Assistant Comptroller General
National Security and International
Affairs Division
U.S. General Accounting Office
Washington, DC 29548

Dear Mr. Conahan:

This is the Department of Defense (DoD) response to the General Accounting Office (GAO) draft report, "ARMY RESERVE FORCES: Process for Identifying Units for Inactivation Could Be Improved," dated February 22, 1993, (GAO Code 393519 OSD Case 9311). The DoD generally concurs with the report.

The overriding DoD concern during this process to select Reserve Component units for inactivation was to assure that those units remaining in the force had the best long-term prospects for readiness. Where possible, the Department has attempted to achieve a geographic balance in reductions. Those efforts will not be fully realized, however, until all current and future inactivations are complete.

The DoD is continuing efforts to refine the process to select units for inactivation. In that regard, the National Guard Bureau is currently in the process of revising its selection methodology and improving the documentation of selection decisions. The revised National Guard Bureau process should be in place by the summer of 1993.

The detailed DoD comments on the report findings and recommendations are provided in the enclosure. The DoD appreciates the opportunity to comment on the draft report.

Sincerely,

John L. Laughlin
Senior Civilian Official

Enclosure:
As stated

GAO DRAFT REPORT--DATED FEBRUARY 22, 1993
(GAO CODE 393519) OSD CASE 9311

"ARMY RESERVE FORCES: PROCESS FOR IDENTIFYING
UNITS FOR INACTIVATION COULD BE IMPROVED"

DEPARTMENT OF DEFENSE COMMENTS

* * * * *

FINDINGS

- o FINDING A: Army Reserve Forces Reductions and Inactivations.
The GAO observed that, as early as 1989, the Army began developing plans to reduce its active and reserve forces as part of a broader force reduction plan for its total force. The GAO reported that, as a result of events in Eastern Europe and the Soviet Union beginning in late 1989, the DoD had proposed large reductions in its reserve forces each year since FY 1990. The GAO noted that the Congress authorized substantially higher reserve force levels than were proposed. The GAO added that, to assist in evaluating the merits of proposed DoD reductions, in November 1991, the Congress directed the DoD provide a list of the specific reserve component units that the DoD proposed to reduce or inactivate for all Services in FY 1992 and FY 1993.

The GAO noted that, in March 1992, the DoD submitted a list, of which about 90 percent of the personnel affected by the reductions were in the Army National Guard and the Army Reserve. The GAO noted that those Army units varied widely in size--from 2-person teams to full combat battalions of about 915 soldiers--and were located in all of the continental U.S., Alaska, the District of Columbia, and Puerto Rico.

In Appendix I, the GAO described the process used by the Army to identify the types of units for inactivation. In Appendix II, the GAO described the criteria the Reserve Components used to identify specific units for reduction and analyze the consistency with which the key criteria--unit readiness--was applied. (pp. 1-5/GAO Draft Report)

DOD RESPONSE: Concur.

Enclosure

Now on pp. 1-2.

Now on pp. 3-4.

- o **FINDING B: March 1992 Reserve Reductions Plan Was Based on Earlier Force Reduction Plans.** The GAO reported that the March 1992 reduction list contained largely the types of units that the Army had identified as candidates for reduction or inactivation in earlier downsizing plans dating back to 1989. The GAO observed that the Army modified those earlier plans to reflect (1) lower end-strength targets (which has evolved over the last 3 years), (2) doctrinal changes, (3) projected needs arising from the Army requirements determination process, and (4) experiences in OPERATION DESERT STORM. (pp. 5-6/GAO Draft Report)

DOD RESPONSE: Concur.

Now on pp. 4-5.

- o **FINDING C: Reserve Entities Had Prominent Roles in Selecting Specific Units for Reduction.** The GAO found that the Office of the Secretary of Defense, the Department of the Army, the U.S. Forces Command, the National Guard Bureau, the Office of the Chief, Army Reserve, and the State Adjutant Generals each had roles in formulation reserve force reduction plans. The GAO reported that although the U.S. Forces Command and the U.S. Army Reserve Command did not fully participate in developing the March 1992 list, they were able to influence the selection of certain medical units before the original list was finalized. Further, the GAO noted that U.S. Forces Command officials had identified units for inactivation in earlier planning exercises. The GAO also pointed out that State Adjutant Generals were given the opportunity to comment on the National Guard Bureau selections for the March 1992 list before it was submitted to Congress. The GAO noted that, in some cases, the National Guard Bureau adjusted its selections within a given state on the basis of the Adjutant General comments. (pp. 6-7/GAO Draft Report)

DOD RESPONSE: Concur. Both the U.S. Forces Command and the U.S. Army Reserve Command provided input to and commented on various iterations of the March 1992 Reserve Component inactivation list. Both commands had a significant input on the final list particularly with regard to medical units and elements of Army Reserve training divisions.

See comment 1.

- o **FINDING D: Unit Readiness Was the Key Criterion Used to Identify Units for Reductions.** The GAO reported that, although the Army provided general guidance on the criteria to be used when making unit selections, the National Guard Bureau and the Office of the Chief, Army Reserve, separately identified the specific criteria to guide their decisions. The GAO found that some criteria were more important to one Reserve Component than the other--i.e., while the National Guard Bureau balanced its cuts geographically, the Office of

the Chief, Army Reserve, retained the units that had served in OPERATION DESERT STORM.

The GAO observed the National Guard Bureau and Office of the Chief, Army Reserve, records on inactivation decisions were insufficient to provide adequate evidence as to how specific units were selected for inactivation. The GAO reported that the National Guard Bureau and Office of the Chief, Army Reserve officials were able to provide some oral explanations, but the explanations were limited to the extent that cognizant officials who selected units were still available. The GAO noted that in many cases these officials had rotated to other assignments. The GAO also noted, however, the Army emphasized unit readiness was the key criterion that entered into their decisions. (pp. 7-9/GAO Draft Report)

Now on pp. 5-6.

DOD RESPONSE TO DRAFT REPORT: Partially concur. With few exceptions, the U.S. Army Reserve is able to document fully the decision process used to select specific units for inactivation. Efforts are currently underway by the National Guard Bureau to improve its process, including decision documentation. The revised National Guard Bureau process should be in place by the summer of 1993.

See comment 2.

- o **FINDING E: Geographic Balance for National Guard Not Yet Achieved.** The GAO found that the National Guard is seeking to achieve geographical balance as it reduces its forces to reach prescribed fiscal year 1995 end strength levels. The GAO observed that because inactivation plans for fiscal years 1994 and 1995 are not finalized, it is unclear to what extent the National Guard will ultimately achieve this goal. However, the GAO found that the March 1992 plan would have more heavily impacted some states than others. The GAO explained that states that had major combat units identified for inactivation--i.e., Massachusetts--would have lost over 50 percent of its National Guard personnel, due to the planned inactivation of four infantry battalions associated with the 26th Infantry Division.

The GAO did acknowledge that the National Guard Bureau was developing a plan to relocate certain units--from states that have been relatively unaffected by the reductions to states heavily impacted. The GAO noted that the National Guard Bureau goals were to achieve a more equitable distribution of the effects of inactivations and ensure that some minimum capabilities are available to all states. (p. 10/GAO Draft Report)

Now on pp. 6-7.

DOD RESPONSE: Concur.

- o **FINDING F: Process for Identifying Reductions Could Be Improved.** The GAO reported that (1) because the Congress did not approve all planned reductions proposed for FY 1993 and (2) the debate continues over the size of the future Army and the approximate mix of active and reserve forces, the Army is making adjustments to its earlier reduction plans. The GAO concluded that, by recognizing the following, the Army has an opportunity to improve the process of selecting units for reduction or inactivation:

- better coordination between the Reserve Components in the selection process might provide more assurance that readiness of the Army total force was maximized and that individual states were not disproportionately affected by the combined National Guard and Army Reserve reductions;
- evening out the adverse affects of force reductions among the states is important and the inactivation of large units in close proximity can have damaging effects on local economies; and
- retaining documentation supporting the justifications for its decisions.

The GAO further concluded there could be some benefit in considering a more objective approach for determining those factors that should enter into decisions and how those factors should be weighed. (pp. 11-13/GAO Draft Report)

DOD RESPONSE: Partially concur. The current process for selecting and coordinating Reserve Component units for inactivation is sound. Efforts are currently under way by the National Guard Bureau to revise its selection methodology and documentation process. The revised process should be in place by the summer of 1993. The DoD will also continue to consider further process improvements as additional force changes occur.

* * * * *

RECOMMENDATIONS

- o **RECOMMENDATION 1:** The GAO recommended that the Secretary of the Army, in refining the Army reserve force reduction plans, ensure that progress made in coordinating unit reduction decisions among the National Guard Bureau, the Office of the Chief, Army Reserve, U.S. Forces Command, and the U.S. Army Reserve Command officials is continued by formalizing

Now on pp. 7-8.

See comment 3.

Now on p. 8.

coordination procedures among the entities. (p. 13/GAO Draft Report)

DOD RESPONSE: Concur. Procedures to ensure coordination among the entities have been established. A May 1991 Army memorandum directed the U.S. Forces Command to oversee the integration and adherence to selection criteria of all units selected for inactivation by the U.S. Army Reserve and the Army National Guard. The Army will continue to maintain a strong, continuous coordination process during deliberations on future Reserve Component unit inactivations. Since the Department of the Army is already complying with the GAO recommendations, no further action is required.

Now on p. 8.

- o **RECOMMENDATION 2:** The GAO recommended that the Secretary of the Army, in refining the Army reserve force reduction plans, better document the reasons why specific units are selected for inactivation or reduction. (p. 13/GAO Draft Report)

DOD RESPONSE: Concur. The U.S. Army Reserve currently possesses an acceptable audit trail for documenting unit inactivation decisions. Efforts are currently underway by the National Guard Bureau to revise its selection procedures, including improved documentation of selection decisions. The revised National Guard Bureau procedures should be in place by the summer of 1993.

Now on p. 8.

- o **RECOMMENDATION 3:** The GAO recommended that the Secretary of the Army, in refining Army reserve force reduction plans, consider the merits of adopting a more objective methodology--such as the one being developed by the U.S. Army Reserve Command--for selecting specific units for inactivation or reduction. (p. 13/GAO Draft Report)

DOD RESPONSE: Concur. As part of its efforts to revise procedures, the National Guard Bureau is adopting a selection methodology similar to that of the U.S. Army Reserve Command. The revised National Guard plan should be in place by the summer of 1993.

The following are GAO's comments on the Department of Defense's letter dated March 25, 1993.

GAO Comments

1. Numerous Forces Command and U.S. Army Reserve Command officials stated that their participation in developing the March 1992 list was limited, resulting in some disconnects between units slated for inactivation and planned programmed actions particularly for training divisions. Their participation in the latter stages of the process used to develop the March 1992 list led to some adjustments in the specific units to be inactivated, including some medical units. Army Reserve officials will have an opportunity to recommend further adjustments as inactivation plans for fiscal year 1993 and beyond are revised and formulated.
2. Although National Guard and Army Reserve officials provided documents outlining the process to be followed and the factors to be considered when making inactivation decisions, neither component could adequately document how these factors were applied for specific units selected. As a result, we had to conduct an analysis of readiness data to determine if the stated process was followed. In reviewing their unit selection processes, both reserve component entities should ensure that documentation to support how this key criterion and others enter into future inactivation decisions is kept.
3. Although the Army assigned responsibility to Forces Command in May 1991 to coordinate Army Reserve and Army National Guard inactivation decisions, we found that it was unable to effectively discharge this responsibility because it did not have access to National Guard force structure plans until the fall of 1992. While coordination improved during the course of our review, better accessibility of reduction plans among the two reserve components and Forces Command as they are being developed would likely improve the coordination of inactivation decisions.

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